

9,828,874 tons, and the freight tonnage of the Detroit river is estimated for that year at 25,000,000 tons, against 23,209,619 tons in 1891.

The aggregate traffic on our railroads for the year 1891 amounted to 704,536,609 tons of freight, compared with 651,344,437 tons in 1890, an increase of 12,754,172 tons.

OUR WORKINGMEN SAVING MONEY.

Another indication of the general prosperity of the country is found in the fact that the number of depositors in savings banks increased from 693,879 in 1880 to 4,258,893 in 1890, an increase of 513 per cent, and the amount of deposits from \$149,277,504 in 1880 to \$1,524,844,506 in 1890, an increase of 921 per cent. In 1891 the amount of deposits in savings banks was \$1,652,370,749. It is estimated that 60 per cent of these deposits represent the savings of wage-earners.

The bank clearances for the nine months ending September 30, 1891, amounted to \$41,049,390,808. For the same months in 1892 they amounted to \$45,139,601,947, an excess for the nine months of \$4,140,211,139.

There never has been a time in our history when work was so abundant or when wages were as high, whether measured by the quantity of work in which they are paid by their power to supply the necessities and comforts of life.

AGRICULTURAL PROSPERITY.

It is true that the market prices of cotton and wheat have been low. It is one of the unfavorable incidents of agriculture that the farmer cannot produce upon orders. He must sow and reap in ignorance of the aggregate production of the year, and is peculiarly subject to the depreciation which follows overproduction.

But, while the fact I have stated is true as to the crops mentioned, the general average of prices has been such as to give to agriculture a fair participation in the general prosperity. The value of our total farm products has increased from \$1,363,604,866 in 1880 to \$4,500,000,000 in 1891; as estimated by statisticians, an increase of 230 per cent. The number of hogs January 1, 1891, was 50,625,108, and their value \$210,193,925; on January 1, 1892, the number was 52,308,019, and the value \$241,031,415. On January 1, 1891, the number of cattle was 36,875,648, and the value \$544,127,908; on January 1, 1892, the number was 37,651,239 and the value \$570,749,155.

If any are discontented with their state here, if any believe that wages or prices, the returns for honest toil, are inadequate, they should not fail to remember that the conditions which have been pursued and to the results which have been attained. Public revenues amounting to \$1,414,079,292.28 have been collected and disbursed without loss from misappropriation, without a single defalcation of such importance as to attract the public attention, and at a diminished per cent of cost for collection. The public business has been transacted, not only with fidelity, but progressively, and with a view to giving to the people in the fullest possible degree the benefits of a service established and maintained for their protection and comfort.

FOREIGN RELATIONS.

Our relations with other nations are now undisturbed by any serious controversy. The complicated and threatening differences with Germany and England relating to Samoan affairs, with England in relation to the seal fisheries in the Bering sea, and with Chile regarding the rights in the Baltimore straits have been adjusted.

There have been negotiated and concluded, under section 3 of the tariff law, commercial agreements relating to reciprocal trade with the following countries: Brazil, Dominican Republic, Spain for Cuba and Puerto Rico, Guatemala, Salvador, the German Empire, Great Britain for certain West Indian colonies and British Guiana, Honduras and Austria-Hungary. Of these, the most important, the German Empire, Great Britain, Nicaragua, Honduras and Austria-Hungary have been concluded since my last annual message. Under these trade arrangements a free or favored admission has been secured in every case for an important list of American products. Especial care has been taken to secure markets for farm products, in order to relieve that great underlying anxiety of the farmer, the lack of an adequate foreign market for our surplus often brings. An opening has also been made for manufactured products that will undoubtedly, if this policy is maintained, greatly augment our export trade.

BENEFITS OF RECIPROCITY.

The full benefits of these arrangements can not be realized instantly. New lines of trade are to be opened, and the commercial traveler must survey the field. The manufacturer must adapt his goods to the new markets, and facilities for exchange must be established. This work has been well begun, our merchants and manufacturers having entered the new fields with courage and enterprise. In the case of those countries with which we have concluded trade agreements, it did not need to wait and the immediate results have been most gratifying. If this policy and these trade arrangements can be continued in force and aided by the establishment of American steamship lines, I do not doubt that we shall, within a short period, secure fully one-third of the total trade of the countries of Central and South America, which amounts to about \$900,000,000 annually. In 1885 we had only eight per cent of the trade.

The following statistics show the increase in our trade with the countries with which we have reciprocal trade agreements, from the date when such agreements went into effect up to September 30, 1892, the increase being in some almost wholly and in others in an important degree the result of these agreements. Domestic exports to Germany and Austria-Hungary have increased in value from \$47,673,756 to \$79,093,064, an increase of \$31,419,308, or 21.63 per cent. With American countries the value of our exports has increased from \$44,160,285 to \$64,613,998, an increase of \$20,453,713, or 23.67 per cent. The total increase in the value of exports to all the countries with which we have reciprocal agreements has been \$77,927,021.

This increase is chiefly in wheat, flour, meat, and dairy products, and in manufactures of iron and steel and lumber. There has been a large increase in the value of imports from all these countries since the commercial agreements went into effect, amounting to \$24,294,325, but it has been entirely in imports from the American countries, consisting mostly of sugar, coffee, India rubber, and other drugs.

The alarmed attention of our European competitors for the South American market has been attracted to this new American policy and to our acquisition and their loss of South American trade.

BERING SEA MATTER.

A treaty providing for the arbitration of the dispute between Great Britain and the United States as to the killing of seals in the Bering sea, was concluded on the 29th of February last. This treaty was accompanied by an agreement prohibiting pelagic sealing pending the arbitration, and a vigorous effort was made during this season to drive out all poaching sealers from the Bering sea. Six naval vessels, three from the United States and three from the British commission, all under the command of Commander Evans, of the navy, were sent into the sea, which was systematically patrolled. Some seizures were made, and it is believed that the catch in the Bering sea by poachers amounted to less than 500 seals. It is true, however, that in the North Pacific, where the seal herds were on their way to the sealing grounds in the Aleutian Islands, a very large number, probably 35,000, were taken. The existing statutes of the United States do not restrain our citizens from taking seals in the Pacific Ocean, and perhaps should not, unless the prohibition can be extended to the citizens of other nations.

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The Canadian Pacific railway brought into the United States from China and Japan, via British Columbia, during the year ended June 30, 1892, 23,239,689 pounds of freight, and it carried from the United States to be shipped to China and Japan, via British Columbia, 24,008,946 pounds of freight. There were shipped from the United States over this road from eastern ports to the United States to our Pacific ports, during the same year, 13,912,073 pounds of freight, and there were received over this road at the United States eastern ports from ports on the Pacific coast, 13,233,315 pounds of freight. Mr. Joseph Nimms, Jr., former chief of the bureau of statistics, when before the senate select committee on the relations with Canada, April 26, 1890, said that "The value of goods thus transported between different points in the United States across Canadian territory probably amounts to \$100,000,000 a year."

TIME TO CALL A HALT.

There is no disposition on the part of the people or government of the United States to interfere in the smallest degree with the political relations of Canada. That question is wholly with her own people. It is time for us, however, to consider whether, if the present state of things and trend of things is to continue, our intercourse, upon lines of land transportation, should not be put upon a different basis, and our entire independence of Canadian canals and of the St. Lawrence as an outlet to the seas secured by the construction of an American canal around the falls of Niagara, and the opening of ship communication between the great lakes and one of our own sea ports. We should not hesitate to avail ourselves of our great natural trade advantages. We should withdraw the support which is given to the railroads and steamship lines of Canada by a traffic that properly belongs to us, and no longer furnish the earnings which lighten the otherwise crushing weight of the enormous public subsidies that have been given to them.

The subject of the power of the treasury to deal with this matter will not further legislation has been under consideration, but circumstances have postponed a conclusion. It is probable that a consideration of the propriety of a modification or abrogation of the article of the treaty of Washington, relating to the transit of goods in bond, is involved in any complete solution of the question.

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Congress at the last session was kept advised of the progress of the serious

agreement prohibiting pelagic sealing pending the arbitration, and a vigorous effort was made during this season to drive out all poaching sealers from the Bering sea. Six naval vessels, three from the United States and three from the British commission, all under the command of Commander Evans, of the navy, were sent into the sea, which was systematically patrolled. Some seizures were made, and it is believed that the catch in the Bering sea by poachers amounted to less than 500 seals. It is true, however, that in the North Pacific, where the seal herds were on their way to the sealing grounds in the Aleutian Islands, a very large number, probably 35,000, were taken. The existing statutes of the United States do not restrain our citizens from taking seals in the Pacific Ocean, and perhaps should not, unless the prohibition can be extended to the citizens of other nations.

I recommend that power be given to the President by proclamation to prohibit the taking of seals in the North Pacific by American vessels in case either as the result of the finding of the tribunal of arbitration or otherwise the restraints can be applied to the vessels of all countries. The case of the United States for the tribunal of arbitration has been prepared with great care and industry by the Hon. John W. Foster, and the counsel who represent the government express confidence that a result substantially establishing the claim and preserving this great industry for the benefit of all nations will be attained.

THAT CANADIAN TREATY.

During the past year a suggestion was received through the British minister that the Canadian government would like to confer as to the possibility of enlarging upon terms of mutual advantage the commercial exchanges of Canada and of the United States, and a conference was held at Washington, with Mr. Blaine representing the United States and the British minister at this capital and three members of the Dominion cabinet acting as commissioners on the part of Great Britain. The conference developed the fact that the Canadian government was only prepared to offer to the United States in exchange for the concessions asked the admission of natural products. The statement was frankly made that favored rates could not be given to the United States against another country. This admission, which was foreseen, necessarily terminated the conference upon this question. The benefits of an exchange of natural products would be almost wholly with the people of Canada. Some other topics of interest were considered in the conference and have resulted in the making of a convention for examining the Alaskan boundary and the waters of the Alaskan coast adjacent to Esquimaux, Me. and in the initiation of an arrangement for the protection of fish life in the coterminous and neighboring waters of our northern borders.

THE WELAND AFFAIR.

The controversy as to tolls upon the Welland canal, which was presented to Congress at the last session by special message, having failed of adjustment, I felt constrained to exercise the authority conferred by the act of July 1, 1892, to suspend the operation of the free use of St. Mary's Falls Canal, to cargoes in transit to ports in Canada. The secretary of the treasury established such tolls as were thought to be equivalent to the exactions unjustly levied upon our commerce in the Canadian canals.

CANADA'S UNREASONABLE ATTITUDE.

If, as we must suppose, the political relations of Canada and the disposition of the Canadian government are to remain unchanged, a somewhat radical revision of our trade relations should, I think, be made. Our relations must continue to be intimate, and they should be friendly. I regret to say, however, that in many of the controversies, notably those as to the fisheries on the